You should read the following discussion and analysis of our results of operations and financial condition in conjunction with our consolidated financial information as of and for the Track Record Period, including the notes thereto, included in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with IFRSs. The following discussion contains forward-looking statements concerning events that involve risks and uncertainties. Our actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

OVERVIEW

Our Group is principally engaged in the provision of electrical engineering services in Singapore. We are one of the established electrical engineering companies in undertaking electrical engineering works for public residential projects in Singapore. Our revenue for the three financial years ended 30 June 2013 was approximately S$32.5 million, S$15.6 million and S$18.7 million, respectively, while our profit for the year and total comprehensive income for the year were approximately S$5.6 million, S$3.7 million and S$6.5 million, respectively.

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands on 19 June 2013 and became the holding company of Strike Singapore pursuant to the Reorganisation completed on 29 June 2013. Details of which are set out in the section headed "History and development" in this prospectus.

The consolidated financial statements of our Group have been prepared using the principles of merger accounting and there was no change in the economic substance of the business of our Group. Accordingly, the consolidated financial statements of our Group has been prepared as if the Reorganisation has been completed as at the beginning of the Track Record Period and remained unchanged throughout the Track Record Period.

Intra-group balances and transactions are eliminated in full in preparing the financial information.

FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Group's financial condition and results of operations have been and will continue to be affected by a number of factors, including those set out below:

Pipeline of HDB projects and our order book

We provide electrical engineering services to the Singapore construction industry on a project-basis. The duration of our projects usually ranges between 24 and 48 months. As such, our revenue is not recurring in nature and dependent on the number of projects we have and the contract value of each project. Specifically, our Group is highly dependent on the pipeline of HDB projects, which affects the number of construction jobs available to main contractors of public residential sector projects. As our customers are mainly these main contractors who subcontract the electrical engineering works to us, the pipeline of HDB projects affect our order book.

Timing of projects and percentage completed

Our projects are mainly for new construction projects in the public residential sector, comprising approximately 95.9%, 92.5% and 88.8% of our total revenue for the three financial years ended 30 June 2013 respectively. Our revenue is recognised on the percentage of completion method, and billing is based on monthly progress claims. As such, our revenue is dependent not only on the number of projects, its contract value, but also on the percentage completed. For more information on the revenue recognition, please see Note 3 of the Accountants' Report set out in Appendix I to this prospectus. As our construction contracts typically cover a period of between 24 and 48 months, the number of contracts and progress of each contract we undertake in any period may affect our results of operations and lead to fluctuations in revenue recognised from period to period.

Pricing of our projects and variation orders

Our Group secures its projects either through private invitation to quote or through open tender. For each project opportunity, a quotation will be prepared where we will assess our capacity and resources, the estimated gross profit margin, the relationship and reputation of the potential customer, and prevailing competitive and market conditions. The gross profit margin for each project will affect our financial performance, and each project has a different profit margin depending on various factors, including but not limited to the scale, complexity and specifications of the projects, our capacity, and the competitive conditions at the contract negotiation stage. Our overall gross profit margins for the three financial years ended 30 June 2013 amounted to approximately 22.9%, 32.4% and 44.4%, respectively.

Our customers may also request us to alter our scope of works or perform additional works further to the terms and scope of the original contract in the course of our project implementation. We estimate the costs of each variation order and may negotiate with the customers for charge of additional costs incurred for increase scope of work. Our revenue and margin may also be reduced if the scope of work is reduced. Variation orders may affect our margin as prices for additional purchases or subcontract services have to be negotiated with our suppliers and subcontractors, and we may not be able to maintain the same margin for a variation order as that for the original contract due to higher material costs or subcontracting fees.

Staff cost

Staff cost attribute the largest portion of our operating expenses during the Track Record Period. Staff cost is related to the salaries to our employees, the contribution to the CPF stipulated by regulations and also costs related to the employment of foreign workers. Our projects are dependent on labour to complete the electrical engineering works, and therefore, salary cost is a significant factor of our financial performance.

Fluctuation in cost of sales

The main components of our estimated project costs are purchases from our suppliers and subcontracting fees. We purchase materials from our suppliers, such as electrical cables, switchboards and light fittings supplies, which are in turn dependent on the prices of the underlying commodities, such as copper and polyvinyl chloride. We may also engage subcontractors for our projects. Certain portion of the project, such as the installation of underground piping system and cable ready system, are subcontracted to the respective subcontractors who have the requisite expertise and resources to install these specialised systems.

In our preparation of quotations, we will carry out internal costing and budgeting estimates of labour and supplies which are based on the quotations given by our suppliers and subcontractors, as well as our own estimation of costs to be incurred. Thereafter, the contract value, as quoted to the main contractor for a project, is arrived at by evaluating all related costs which include, *inter alia*, the indicative pricing of our suppliers and subcontractors. As the contract may be awarded (and hence, the contract valued committed) sometime subsequent to the date of quotation submission, there is a possibility that the actual prices obtained from our suppliers and subcontractors will be different. We do not enter into long-term contract with our suppliers, but usually will place a purchase order within six (6) months from the date the contract is signed, depending on the project schedule. The price that we pay to our suppliers is fixed at the time of issue of purchase order, and therefore, our exposure to subsequent fluctuation in the price of the materials is limited. Notwithstanding, price of materials make up a significant component of our cost of sales for the two financial years ended 30 June 2012, and fluctuation in its prices will impact our financial performance. For subcontractors, we will typically sign contracts with them upon within six (6) months of our contract with our customer. Our contracts with our customers do not permit any adjustment for escalation in the price of supplies or labour.

The following sensitive analysis illustrates the impact of hypothetical fluctuations of our cost of materials on our profit before tax during the Track Record Period. Fluctuations in our cost of materials are assumed to be 10%, 20% and 40%, which is commensurate with historical fluctuations in the prices of our major materials during the Track Record Period as derived from the fluctuation of our cost of materials which accounted for approximately 47.8%, 42.0% and 10.2% of our cost of sales for the three financial years ended 30 June 2013 respectively.

Hypothetical fluctuations	**+/-10%**	**+/-20%**	**+/-40%**
	S$	*S$*	*S$*
Increase/decrease in costs of material			
Financial year ended 30 June 2011	+/-1,197,728	+/-2,395,455	+/-4,790,911
Financial year ended 30 June 2012	+/-443,525	+/-887,050	+/-1,774,100
Financial year ended 30 June 2013	+/-105,677	+/-211,355	+/-422,709
Increase/decrease in profit before tax			
Financial year ended 30 June 2011	-/+1,197,728	-/+2,395,455	-/+4,790,911
Financial year ended 30 June 2012	-/+443,525	-/+887,050	-/+1,774,100
Financial year ended 30 June 2013	-/+105,677	-/+211,355	-/+422,709

For the three financial years ended 30 June 2013, our gross profit amounted to approximately S$7.5 million, S$5.1 million and S$8.3 million respectively. For illustrative purpose, we would have recorded a breakeven in our gross profit if the costs of our materials increased by approximately 62.2%, 113.9% and 783.9%, respectively, from the corresponding period.

Changes in laws and regulations governing the construction industry in Singapore

Our business is governed by the relevant regulations and licensing from BCA, EMA, MOM and IDA. Changes in laws and regulations governing our business may affect our profitability and financial performance, such as the change in foreign worker levy rates will affect our costs. A summary of the regulatory framework of M&E engineering business in Singapore is set out in the section headed "Regulatory overview" in this prospectus.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Revenue and costs recognition

Revenue, and also costs related to the project, is recognised using the percentage of completion method, which is by reference to the stage of completion of the project at the end of the reporting period. The stage of completion is measured by reference to the actual value of work done to-date based on physical completion to the proportion of total revenue for the contract of the project. Both revenue and costs are recognised when the outcome of a project can be estimated reliably, in projects when (i) total revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the project will flow to our Group; (iii) the costs to complete the project and the stage of completion can be measured reliably; and (iv) the costs attributable to the project can be clearly identified and measured reliably so that actual project costs incurred can be compared with prior estimates. Should the outcome of a project not be estimated reliably (principally during early stages of a contract), revenue is recognised only to the extent of project costs incurred that are likely to be recoverable and such costs are recognised as expense in the period in which they are incurred.

Project costs include costs that relate directly to the specific project and costs that are attributable to project in general and can be allocated to the contract. Costs that relate directly to a project include but not limited to costs of materials, subcontracting fees and site labour costs (including site supervision), depreciation of equipment used on the project that are directly related to the project.

Gross amounts due from customers for contract work-in-progress

Projects in progress at the balance sheet date are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the balance sheet as the "Gross amount due from customers for contract work in progress" (as an asset) or the "Gross amount due to customers for contract work in progress" (as a liability), as applicable. Progress billings not yet paid by the customer are included under "Trade and other receivables".

Share of results of jointly-controlled entity and associated companies

Investments in a jointly-controlled entity and associated companies are accounted for using the equity method of accounting. Our Company's share of its jointly-controlled entity and associated companies' post-acquisition profits or losses is recognised and where there has been a change recognised in other comprehensive income by the jointly-controlled entity and associated companies, our Group recognises its share of such changes in other comprehensive income. These post-acquisition movements are adjusted against the carrying amount of the investment.

For details of the significant accounting policies relating to our Group's financial information, please refer to Note 3 of the Accountants' Report set out in Appendix I to this prospectus.

RESULTS OF OPERATIONS

The following is a summary of the consolidated statements of comprehensive income of our Group for each of three financial years ended 30 June 2013, respectively, derived from the Accountants' Report set out in Appendix I to this prospectus.

	For the financial year ended		
	30 June 2011	30 June 2012	30 June 2013
	S$	*S$*	*S$*
Revenue	32,522,617	15,609,071	18,660,508
Cost of sales	(25,069,464)	(10,556,584)	(10,376,929)
Gross profit	7,453,153	5,052,487	8,283,579
Other operating income	20,344	47,116	45,513
Expenses:			
— Administrative	(832,477)	(878,315)	(1,273,041)
— Other operating	(97,248)	(98,862)	(87,832)
— Finance	(132)	(82)	(620)
Share of results of a jointly-controlled entity	126,733	130,590	579,104
Share of results of associated companies	—	27,726	195,920
Profit before tax	6,670,373	4,280,660	7,742,623
Income tax expense	(1,083,953)	(611,092)	(1,201,053)
Profit for the year and total comprehensive income for the year	5,586,420	3,669,568	6,541,570

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets forth the revenue, other operating income and share of results of jointly-controlled entity and associated companies of our Group for each of the three financial years ended 30 June 2013, respectively:

	For the financial year ended		
	30 June 2011	30 June 2012	30 June 2013
	S$	*S$*	*S$*
Revenue	32,522,617	15,609,071	18,660,508
Other operating income	20,344	47,116	45,513
Share of results of a jointly-controlled entity	126,733	130,590	579,104
Share of results of associated companies	—	27,726	195,920

Revenue

Our revenue which comprised mainly contract revenue recognised for the provision of our electrical engineering services in Singapore, amounted to approximately S$32.5 million, S$15.6 million and S$18.7 million for the three financial years ended 30 June 2013 respectively. We recognise revenue based on the stage of completion of the projects. The following table sets forth a breakdown of our revenue by the nature:

	Revenue For the financial year ended		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Contract revenue[(1)]	32,509,489	15,571,169	18,628,674
Sale of goods[(2)]	13,128	37,902	31,834
Total	32,522,617	15,609,071	18,660,508

Notes:

(1) Contract revenue refers to revenue recognised from our projects.

(2) Sale of goods referred to sale of miscellaneous supplies.

The following table set forth our revenue breakdown by percentage of project completed during the financial year:

	Financial year ended					
	30 June 2011		30 June 2012		30 June 2013	
	Number of projects	Revenue (approximate) *(S$ million)*	Number of projects	Revenue (approximate) *(S$ million)*	Number of projects	Revenue (approximate) *(S$ million)*
By percentage of project completed during the financial year						
— Between 20% to 90%	11	32.1	4	12.3	5	16.5
— Beginning of project (less than 20%)	—	—	6	2.3	3	0.8
— End of project (less than 10%)	8	0.4	10	1.0	13	1.4
	19	32.5	20	15.6	21	18.7

Cost of sales

Cost of sales comprised project cost that is recognised using the percentage of completion method, and amounted to approximately S$25.1 million, S$10.6 million and S$10.4 million for the three financial years ended 30 June 2013 respectively. Our cost of sales is cost directly associated with the provision of services under our projects. Similar to our revenue recognition policy, we recognised cost of sales based on our budgeted cost of sales for the project and the stage of completion of the project. We will review the actual cost of sales incurred for our projects periodically and compare against our budgeted cost of sales to determine the extent of deviation, if any. Our actual cost of sales may deviate from the budget as the actual materials and the manhours used/incurred during the execution of the projects and during the defect liability period may vary as the projects progress. Based on this review, we will revise our cost of sales recognised for each project by making upward or downward revisions to the project's cost of sales. Due to the nature of our business, such revisions are typically made when the projects are substantially completed when a majority of the costs are committed and/or determined and at the end of the defect liability period when the final cost incurred during the defect liability period is determined. The table below sets forth a breakdown of our cost of sales by nature and percentage contribution to total costs for the periods indicated.

	For the financial year ended					
	30 June 2011		**30 June 2012**		**30 June 2013**	
	S$	*Approximate % to cost of sales*	*S$*	*Approximate % to cost of sales*	*S$*	*Approximate % to cost of sales*
Materials	11,977,277	47.8	4,435,250	42.0	1,056,773	10.2
Subcontracting fees	7,181,046	28.6	3,456,821	32.8	8,495,805	81.9
Staff costs	5,183,446	20.7	2,216,343	21.0	731,343	7.0
Others	727,695	2.9	448,170	4.2	93,008	0.9
Total	25,069,464	100.0	10,556,584	100.0	10,376,929	100.0

Materials include our purchases of electrical cables, switchboards and light fittings used in our electrical engineering projects. Subcontracting fees are costs in relation to the engagement of subcontractors for the installation of specialised systems or for part of our electrical engineering projects. Staff costs relate to costs related to our staff who work directly on-site such as project engineers, supervisors and foreign workers. Others include site overhead costs such as miscellaneous site expenditure for the establishment of temporary site offices, training fees in relation to site safety, uniforms and safety boots, consultancy fees, transportation fees and other sundry expenses.

For the financial year ended 30 June 2013, we incurred a higher percentage of subcontracting fees than other periods of the Track Record Period, which was primarily due to the subcontract of three projects for which materials purchased by subcontractors were included in the subcontracting fees.

The following table set forth our cost of sales breakdown by percentage of project completed during the financial year:

	Financial year ended					
	30 June 2011		30 June 2012		30 June 2013	
	Number of projects	Cost of sales (approximate) *(S$ million)*	Number of projects	Cost of sales (approximate) *(S$ million)*	Number of projects	Cost of sales (approximate) *(S$ million)*
By percentage of project completed during the financial year						
— Between 20% to 90%	11	25.1	4	9.1	5	15.3
— Beginning of project (less than 20%)	—	—	6	2.1	3	0.7
— End of project (less than 10%)	8	(1.0)	10	(1.6)	13	(5.8)
Other direct cost of sales not apportioned to projects[1]	—	1.0	—	1.0	—	0.2
		25.1		10.6		10.4

Note:

(1) These other direct costs comprised foreign workers related expenses and management fee charged by Victrad, our ultimate holding company, during the transition period of the restructuring where Victrad became the immediate and ultimate holding company of Strike Singapore.

Gross Profit

Our gross profit was approximately S$7.5 million, S$5.1 million and S$8.3 million for the three financial years ended 30 June 2013, respectively. There is no segment reporting for our Group, and the gross profits were all in relation to our provision of electrical engineering services where gross profit margins differ from project to project.

Other operating income

Our other operating income comprised mainly gain on disposal of plant and equipment, interest income and sundry income. The disposal of plant and equipment was in relation to a used vehicle. Interest income relates to interest received on fixed deposits placed with financial institutions. Sundry income related to government grants. Other income amounted to S$20,344, S$47,116 and S$45,513 for the three financial years ended 30 June 2013, respectively.

The table below sets forth a breakdown of our other operating income for the periods indicated.

	For the financial year ended		
	30 June 2011	30 June 2012	30 June 2013
	S$	*S$*	*S$*
Gain on disposal of plant and equipment	—	25,933	—
Interest income from bank deposits	20,344	20,599	26,598
Sundry income	—	584	18,915
Total	20,344	47,116	45,513

Administrative expenses

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	For the financial year ended		
	30 June 2011	30 June 2012	30 June 2013
	S$	*S$*	*S$*
Management fees	516,004	549,104	190,106
Employee benefits	222,672	272,451	519,511
Listing expenses	—	—	404,052
Others	93,801	56,760	159,372
Total	832,477	878,315	1,273,041

Administrative expenses comprised mainly management fees, employee benefits (mainly salaries, bonuses and CPF contributions) and listing-related expenses made by our Group. Others mainly include utilities, audit fees and printing and stationery. The increase in others was mainly attributable to the increase in our audit fee recognised during the financial year ended 30 June 2013 given that the Company has appointed new auditors in preparation of the Listing. Administrative expenses amounted to approximately S$0.8 million, S$0.9 million and S$1.3 million for the three financial years ended 30 June 2013 respectively, out of which, management fees amounted to approximately S$0.5 million, S$0.5 million and S$0.2 million respectively. A management fee was charged by Victrad to our Group relating mainly to the salaries of Mr Yeo and two of our senior management team whose salaries were recorded under Victrad during the transition period of our restructuring where Victrad became a holding company of Strike Singapore. Subsequent to the transfer of Mr Yeo to Strike Singapore in July 2012, the transfer of all the remaining staff who were involved in the activities of Strike Singapore to our Group had been completed in April 2013. Employee benefits include salaries, bonuses and CPF contributions which amounted to approximately S$0.2 million, S$0.3 million and S$0.5

million respectively. The higher employee benefits for the financial year ended 30 June 2013 was due to the transfer of staff from Victrad (including the transfer of Mr Yeo to Strike Singapore in July 2012). Our administrative expenses amounted to approximately 2.6%, 5.6% and 6.8% of our total revenue for the three financial years ended 30 June 2013, respectively.

For the financial year ended 30 June 2013, we had incurred and recognised S$0.4 million listing-related expenses in the profit and loss account. The total estimated expenses to be borne by our Company in relation to the Listing are approximately S$2.6 million (equivalent to approximately HK$15.9 million), of which approximately S$0.8 million (equivalent to approximately HK$4.8 million) is directly attributable to the issue of new Shares to the public and is to be accounted for as a deduction from equity upon Listing. The estimated expenses of approximately S$1.8 million (equivalent to approximately HK$11.1 million) include the amount of approximately S$0.4 million (equivalent to approximately HK$2.5 million) recognised during the Track Record Period and S$1.4 million (equivalent to approximately HK$8.6 million) which is expected to be charged to the profit or loss of our Group for the financial year ending 30 June 2014. The estimated listing-related expenses of our Group are subject to adjustments based on the actual amount of expenses incurred/to be incurred by our Company upon the completion of the Listing.

Other operating expenses

The following table sets forth a breakdown of our other operating expenses for the periods indicated:

	For the financial year ended		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Depreciation	45,779	47,115	40,800
Maintenance of vehicle	14,807	15,593	14,216
Entertainment	25,355	30,236	25,723
Others	11,307	5,918	7,093
Total	97,248	98,862	87,832

Other operating expenses comprised mainly depreciation of plant and equipment, maintenance of vehicle and entertainment expenses. Others mainly include repair and maintenance, rental of office photocopy machine and telecommunication charges. Other operating expenses amounted to approximately S$0.1 million in each of the three financial years ended 30 June 2013 respectively, out of which, depreciation amounted to S$45,779, S$47,115 and S$40,800 respectively. Depreciation relate to the depreciation of our motor vehicles, computer and office equipment which remained relatively stable during the Track Record Period. Our other operating expenses amounted to approximately 0.3%, 0.6% and 0.5% of our total revenue for the three financial years ended 30 June 2013, respectively.

Finance expenses

Finance expenses comprised mainly bank charges and amounted to S$132, S$82 and S$620 for the three financial years ended 30 June 2013 respectively.

Share of results of a jointly-controlled entity

Our share of results of a jointly-controlled entity refers to our share of profits from YL. Our share of results amounted to S$126,733, S$130,590 and S$579,104 for the three financial years ended 30 June 2013 respectively.

Share of results of associated companies

Our share of results of associated companies refers to our share of profits from our two associated companies, namely NEK and SRM. Our share of results amounted to nil, S$27,726 and S$195,920 for the three financial years ended 30 June 2013 respectively.

Income tax expense

Since our operation is based in Singapore, our Group is liable to pay corporate income tax in accordance with the tax regulations of Singapore. Income tax expense of our Group amounted to approximately S$1.1 million, S$0.6 million and S$1.2 million for the three financial years ended 30 June 2013 respectively.

The statutory corporate tax rate in Singapore was 17.0% throughout the Track Record Period, while our corresponding effective tax rate were approximately 16.3%, 14.3% and 15.5% for the three financial years ended 30 June 2013, respectively. Our effective tax rate was lower than the statutory tax rates for the three financial years ended 30 June 2013 due to the non-taxable income, partial tax exemption and tax relief and over-provision of prior year income tax during the relevant periods. As set out in the section headed "Regulatory overview — Taxation — Corporate Tax" in this prospectus, 75% of up to the first S$10,000 of a company's normal chargeable income, and 50% of up to the next S$290,000 is exempt from corporate tax. Accordingly, we enjoyed partial tax exemption for the three financial years ended 30 June 2013. We also had tax relief from office equipment expenditure made to improve our productivity under the 'Productivity and Innovation Credit' scheme introduced by the Singapore government. We established our tax provision based on our estimation of tax payable. Where the final tax outcome is different from the amounts that were initially recognised, such differences will result in over/under provision in the period in which such determination is made.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Financial year ended 30 June 2013 compared to financial year ended 30 June 2012

Revenue

Our revenue increased by approximately S$3.1 million or 19.5%, from approximately S$15.6 million for the financial year ended 30 June 2012 to approximately S$18.7 million for the financial year ended 30 June 2013. The increase was primarily due to:

(a) higher revenue of approximately S$16.5 million recognised for five projects which had achieved significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2013 as compared to revenue of approximately S$12.3 million recognised for four projects which had achieved significant percentage of completion in the financial year ended 30 June 2012;

(b) higher revenue of approximately S$1.4 million from the thirteen projects completed or nearing completion in the financial year ended 30 June 2013 as compared to revenue of approximately S$1.0 million for the ten projects completed or nearing completion in the financial year ended 30 June 2012;

which were offset by

(c) lower revenue of approximately S$0.8 million recognised for three projects with lower percentage of completion (that is, less than 20% of the project completed in the financial year) in the financial year ended 30 June 2013 as compared to revenue of approximately S$2.3 million recognised for six projects with percentage of completion of less than 20% in the financial year ended 30 June 2012.

Cost of sales

Although our revenue for the financial year ended 30 June 2013 was higher, our cost of sales decreased by approximately S$0.2 million or approximately 1.7%, from approximately S$10.6 million for the financial year ended 30 June 2012 to approximately S$10.4 million for the financial year ended 30 June 2013. The lower cost of sales was attributed mainly to:

(a) higher cost of sales of approximately S$15.3 million recognised for five projects which had achieved significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2013 as compared to the cost of sales of approximately S$9.1 million recognised for four projects which had achieved significant percentage of completion in the financial year ended 30 June 2012;

which were offset by

(b) lower general cost of sales (not apportioned to various projects) of approximately S$0.2 million recognised in the financial year ended 30 June 2013 as compared to general cost of sales of approximately S$1.0 million recognised in financial year ended 30 June 2012;

(c) lower cost of sales by approximately S$4.2 million from a higher downward revision of cost of sales of approximately S$5.8 million for thirteen project accounts in the financial year ended 30 June 2013 as compared to approximately S$1.6 million for ten project accounts in the financial year ended 30 June 2012. The downward revisions were made as a result of (i) cost savings in materials; and (ii) better efficiencies in project management, resulting in less material used and manhours on the projects;

(d) lower cost of sales of approximately S$0.7 million recognised for three projects with lower percentage of completion (that is, less than 20% of the project completed in the financial year) for the financial year ended 30 June 2013 as compared to cost of sales of approximately S$2.1 million recognised for six projects with percentage of completion of less than 20% in the financial year ended 30 June 2012.

Gross profit and gross profit margin

Our gross profit increased by approximately S$3.2 million or 64.0%, from approximately S$5.1 million for the financial year ended 30 June 2012 to approximately S$8.3 million for the financial year ended 30 June 2013. Our gross profit margin increased from approximately 32.4% to 44.4% during such period.

The increase in gross profit and gross profit margin was attributed to the higher revenue and the lower cost of sales, and can be explained through analysis of our projects as below:

	Financial year ended								
	30 June 2011			**30 June 2012**			**30 June 2013**		
	Number of projects	*Gross profit (approximate) (S$ million)*	*Gross profit margin contribution (%)*	*Number of projects*	*Gross profit (approximate) (S$ million)*	*Gross profit margin contribution (%)*	*Number of projects*	*Gross profit (approximate) (S$ million)*	*Gross profit margin contribution (%)*
By percentage of project completed during the financial year									
— Between 20% to 90%	11	7.1	21.8	4	3.2	20.7	5	1.2	6.3
— Beginning of project (less than 20%)	—	—	—	6	0.2	1.2	3	0.1	0.4
— End of project (less than 10%)	8	1.4	4.4	10	2.7	16.9	13	7.2	38.5
Gross profit/(loss) not apportioned to projects	—	(1.0)	N/A	—	(1.0)	N/A	—	(0.2)	N/A
		7.5			5.1			8.3	

The increase in gross profit and gross profit margin were primarily due to:

(i) for projects which were near to the end of projects, in particular for the thirteen projects in the financial year ended 30 June 2013, a gross profit of S$7.2 million was recorded which arose mainly due to the downward revision of costs of sales. This was due to cost savings in materials and project management efficiencies, resulting in less material used and manhours on the projects. The Group is able to achieve cost saving in materials used, for instance, the material costs are budgeted based on the blue prints given by the main contractors, in executing the project, the actual distance for routing the wires and cables may be shorter than budgeted, resulting less materials used. For project management efficiencies, the Group is able to deploy its workers efficiently based on the progress of the projects. For example, if one project is faster than scheduled and another project is slower than scheduled, the Group deploys the workers to commence working on the project that is running faster than scheduled rather than deploying the workers to standby at the project that is running slower than scheduled. Therefore, all manhours are used efficiently instead of left idle around the work sites. Conversely, for the financial year ended 30 June 2012, a lower gross profit of S$2.7 million was recorded for the ten projects which were near to the end of project. The difference between the two financial periods were due to timing of the projects, where more projects with higher downward revision of costs were recorded in the financial year ended 30 June 2013;

(ii) lower cost of sales not apportioned to projects by S$0.8 million from S$1.0 million for the financial year ended 30 June 2012 to S$0.2 million for the financial year ended 30 June 2013. This cost of sales arose due to lower foreign workers related expenses and management fee charged by Victrad as such expenses decreased towards the end of the transition period of the restructuring where Victrad became the immediate and ultimate holding company of Strike Singapore. The lower cost of sales resulted in a higher gross profit in the financial year ended 30 June 2013; and

(iii) the above impact on the gross profit and gross profit margin was offset by projects which were completed between 20% to 90%. In particular, the five projects in the financial year ended 30 June 2013 recorded a gross profit of S$1.2 million whereas the four projects in the financial year ended 30 June 2012 recorded a gross profit of S$3.2 million. The four projects which were recorded in the financial year ended 30 June 2012 had contributed gross profit margin of 20.7%, and therefore resulted in a higher gross profit as compared to the five projects in the financial year ended 30 June 2013 which had contributed gross profit margin of 6.3% for the year. The gross profit margin was lower for the projects in the financial year ended 30 June 2013 as all five projects were lower than 20%, whereas there were three out of four projects of gross profit margins higher than 20% in the financial year ended 30 June 2012.

Other operating income

Our other operating income decreased by S$1,603 or 3.4%, from S$47,116 for the financial year ended 30 June 2012 to S$45,513 for the financial year ended 30 June 2013, which was primarily due to the absence of gain on disposal of plant and equipment for the financial year ended 30 June 2013, partly offset by S$18,915 of sundry income in relation to government grants for special employment credits and small medium enterprises grants.

Administrative expenses

Administrative expenses increased by S$0.4 million or 44.9%, from approximately S$0.9 million for the financial year ended 30 June 2012 to approximately S$1.3 million for the financial year ended 30 June 2013. The increase was primarily due to our listing expenses of approximately S$0.4 million incurred only during the financial year ended 30 June 2013, increase in employee benefits of S$0.2 million, increase in professional fees of approximately S$0.1 million, offset by the decrease in our management fees of approximately S$0.4 million.

Other operating expenses

Other operating expenses decreased by S$11,030 or approximately 11.2%, from S$98,862 for the financial year ended 30 June 2012 to S$87,832 for the financial year ended 30 June 2013. This was fairly consistent over the Track Record Period.

Share of results of a jointly-controlled entity

Our share of results of jointly-controlled entity increased by approximately S$0.4 million or 343.5%, from approximately S$0.1 million for the financial year ended 30 June 2012 to approximately S$0.6 million for the financial year ended 30 June 2013. The increase in share of results was attributed mainly to the contribution from YL, due to increase in projects that YL had secured and performed.

Share of results of associated companies

Our share of results of associated companies increased by approximately S$0.2 million or 606.6%, from approximately S$0.03 million for the financial year ended 30 June 2012 to approximately S$0.2 million for the financial year ended 30 June 2013. The increase in share of results was attributed mainly to the contribution from NEK, due to higher percentage of works completed for the projects that NEK had performed both from our subcontract and also contract secured from Independent Third Parties.

Income tax expense

Income tax expense increased by approximately S$0.6 million or 96.5%, from approximately S$0.6 million for the financial year ended 30 June 2012 to approximately S$1.2 million for the financial year ended 30 June 2013. Our effective tax rate was approximately 14.3% for the financial year ended 30 June 2012 and approximately 15.5%

for the financial year ended 30 June 2013. The effective tax rate for financial year ended 30 June 2013 increased slightly due to listing fees which were not deductible, which is partially offset by higher share of results of a jointly-controlled entity and associated companies which were recognised net of tax and over provision adjustment in respect of prior years in financial year ended 30 June 2012.

Profit and total comprehensive income for the year

Our profit and total comprehensive income for the year increased by approximately S$2.9 million or 78.3%, from approximately S$3.7 million for the financial year ended 30 June 2012 to approximately S$6.5 million for the financial year ended 30 June 2013. This was mainly attributable to the increase in gross profit by approximately S$3.2 million, and also due to increase share of results of jointly-controlled entity and associated companies by approximately S$0.6 million as discussed above.

Net profit margin

Our net profit margin increased from approximately 23.5% for the financial year ended 30 June 2012 to approximately 35.1% for the financial year ended 30 June 2013, due to the increase of approximately 78.3% in profit and total comprehensive income for the year, increase in gross profit margin from 32.4% to 44.4% during such period, and increase of an aggregate approximately 389.5% in share of results of jointly-controlled entity and associated companies.

Financial year ended 30 June 2012 compared to financial year ended 30 June 2011

Revenue

Our revenue decreased by approximately S$16.9 million or 52.0%, from approximately S$32.5 million in the financial year ended 30 June 2011 to approximately S$15.6 million for the financial year ended 30 June 2012. The decrease was primarily due to:

(a) lower revenue of approximately S$12.3 million recognised for four projects with significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2012 as compared to a revenue of approximately S$32.1 million recognised for 11 projects which had achieved significant percentage of completion in the financial year ended 30 June 2011;

which were offset by

(b) higher revenue of approximately S$2.3 million recognised for six projects with percentage of completion of less than 20% in the financial year ended 30 June 2012 whereas there were no such start-up project revenue in the financial year ended 30 June 2011; and

(c) higher revenue of approximately S$1.0 million for the ten projects completed or nearing completion in the financial year ended 30 June 2012 as compared to revenue of approximately S$0.4 million for eight projects completed or nearing completion in the financial year ended 30 June 2011.

Cost of sales

Our cost of sales decreased by approximately S$14.5 million or 57.9%, from approximately S$25.1 million for the financial year ended 30 June 2011 to approximately S$10.6 million for the financial year ended 30 June 2012. The percentage decrease of our cost of sales was slightly higher than the percentage decrease in revenue due to the following reasons:

(a) lower cost of sales of approximately S$9.1 million recognised for four projects which had achieved significant percentage of completion (that is, between 20% and 90% of the project completed during the financial year) in the financial year ended 30 June 2012 as compared to the cost of sales of S$25.1 million recognised for the eleven projects which had achieved significant percentage of completion in the financial year ended 30 June 2011; and

(b) lower cost of sales from a higher downward revision of cost of sales of approximately S$1.6 million for ten project accounts in the financial year ended 30 June 2012 as compared to approximately S$1.0 million for eight project accounts in the financial year ended 30 June 2011. The downward revisions were made as a result of (i) cost savings in materials; and (ii) better efficiencies in project management, resulting in less material used and manhours on the projects;

which were offset by

(c) higher cost of sales of approximately S$2.1 million recognised for six projects with lower percentage of completion (that is, less than 20% of the project completed in the financial year) in the financial year ended 30 June 2012 whereas there were no such start-up cost of sales in the financial year ended 30 June 2011.

Gross profit and gross profit margin

Our gross profit decreased by approximately S$2.4 million or 32.2%, from approximately S$7.5 million for the financial year ended 30 June 2011 to approximately S$5.1 million for the financial year ended 30 June 2012. Our gross profit margin increased from approximately 22.9% to 32.4% during such period.

The decrease in gross profit and increase in gross profit margin was attributable to the lower revenue and lower cost of sales, but higher than proportionate decrease in cost of sales as compared to revenue explained through analysis of our projects as below:

i) for projects which were completed between 20% to 90%, four projects in the financial year ended 30 June 2012 recorded a gross profit of S$3.2 million had contributed gross profit margin of 20.7%, whereas eleven projects in the financial year ended 30 June 2011 recorded a gross profit of S$7.1 million had contributed gross profit margin of 21.8%. This therefore accounted for the decrease in gross profit without significantly affecting the gross profit margin; and

which were offset by

ii) gross profit of approximately S$0.2 million recognised for six projects with percentage of completion of less than 20% in the financial year ended 30 June 2012 whereas there was no such start-up project cost in the financial year ended 30 June 2011;

iii) for projects which were near to the end of projects, in particular for the ten projects in the financial year ended 30 June 2012, a gross profit of S$2.7 million was recorded which arose mainly due to the downward revision of costs of sales. This was due to cost savings in materials and project management efficiencies, resulting in less material used and manhours on the projects. Conversely, for the financial year ended 30 June 2011, a lower gross profit of S$1.4 million was recorded for the eight projects which were near to the end of project. The difference between the two financial periods were due to higher downward revision of costs recorded for the projects in the financial year ended 30 June 2012, which had a significant increase on our gross profit margin for the period.

Other operating income

Other operating income increased by S$26,772 or 131.6%, from S$20,344 in the financial year ended 30 June 2011 to S$47,116 for the financial year ended 30 June 2012, which was mainly due to gain on disposal of plant and equipment of S$25,933 in the financial year ended 30 June 2012 (as compared to nil in the preceding financial year).

Administrative expenses

Administrative expenses remained comparable between the financial year ended 30 June 2011 and 30 June 2012, with the main administrative expense component being management fees charged by Victrad relating mainly to the salaries of Mr Yeo and two of our senior management team whose salaries were recorded under Victrad during the transition period of our restructuring of Victrad's electrical engineering business to Strike Singapore.

Other operating expenses

Other operating expenses increased by S$1,614 or approximately 1.7%, from S$97,248 for the financial year ended 30 June 2011 to S$98,862 for the financial year ended 30 June 2012. This was fairly consistent during the financial years ended 30 June 2011 and 2012.

Share of results of a jointly-controlled entity

Our share of results of a jointly-controlled entity increased by S$3,857 or approximately 3.0%, from S$126,733 for the financial year ended 30 June 2011 to S$130,590 for the financial year ended 30 June 2012. The increase in share of results was attributable mainly to the contribution from YL, due to more projects secured as their customer base expanded.

Share of results of associated companies

Our share of results of associated companies increased by S$27,726 or 100.0%, from nil for the financial year ended 30 June 2011 to S$27,726 for the financial year ended 30 June 2012. The increase in share of results was attributable mainly to the contribution from SRM and NEK for projects secured subsequent to their incorporation in 2011.

Income tax expense

Income tax expense decreased by approximately S$0.5 million or 43.6%, from approximately S$1.1 million for the financial year ended 30 June 2011 to approximately S$0.6 million for the financial year ended 30 June 2012. Our effective tax rate was approximately 16.3% for the financial year ended 30 June 2011 and approximately 14.3% for the financial year ended 30 June 2012, due to an adjustment of S$60,605 in financial year ended 30 June 2012 for over provision in preceding year. Should this over-provision be adjusted in the financial year ended 30 June 2011, the effective tax rate would be 15.3% and 15.7% for the financial year ended 30 June 2011 and 2012 respectively and comparable.

Profit and total comprehensive income for the year

Our profit and total comprehensive income for the year decreased by approximately S$1.9 million or 34.3%, from approximately S$5.6 million for the financial year ended 30 June 2011 to approximately S$3.7 million for the financial year ended 30 June 2012. This was mainly attributable to the decrease in gross profit by approximately S$2.4 million, as discussed above.

Net profit margin

Our net profit margin increased from approximately 17.2% for the financial year ended 30 June 2011 to approximately 23.5% for the financial year ended 30 June 2012, due to the increase in gross profit margin from approximately 22.9% to approximately 32.4% during such period.

LIQUIDITY AND CAPITAL RESOURCES

Our business operation depends on the sufficiency of working capital and effective project cost management. Our source of funds for our operations mainly comes from our internal generated funds. Our primary uses of cash are for payment to suppliers, subcontractors and working capital needs. Upon the Listing, our sources of funds will be a combination of internal generated funds and net proceeds from the Share Offer. The following table is a condensed summary of our consolidated statements of cash flows for the periods indicated:

	For the financial year ended		
	30 June 2011	30 June 2012	30 June 2013
	S$	*S$*	*S$*
Net cash flows generated from operating activities	9,327,877	4,039,726	1,972,034
Net cash flows (used in)/generated from investing activities	(275,273)	(67,367)	77,691
Net cash flows used in financing activities	(2,265,000)	(5,436,000)	(8,154,000)
Net increase/(decrease) in cash and cash equivalents	6,787,604	(1,463,641)	(6,104,275)
Cash and cash equivalents at the beginning of the year	8,029,687	14,817,291	13,353,650
Cash and cash equivalents at the end of the year	14,817,291	13,353,650	7,249,375

Operating activities

Net cash generated from/used in operating activities primarily consisted of profit before taxation adjusted for non-cash items, such as depreciation of plant and equipment, share of results from a jointly-controlled entity and associated companies and gain on disposal of plant and equipment. We derive our cash inflow from operations principally from project revenue. Our cash outflow used in operations is principally for payment to suppliers, subcontractors and working capital needs.

For the financial year ended 30 June 2013, our net cash generated from operating activities was approximately S$2.0 million. The net cash from operating activities was mainly attributable to our profit before taxation of approximately S$7.7 million, which was negatively adjusted primarily for (i) share of results of a jointly-controlled entity of approximately S$0.6 million; (ii) share of results of associated companies of approximately S$0.2 million; and (iii) interest income of S$26,598, and offset by a positive adjustment of S$40,800 from depreciation of plant and equipment. These adjustments were non-cash items, and adjusted as they did not impact the cashflow of our Group.

The difference of approximately S$5.0 million between the operating cash flows before changes in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) decrease in trade and other payables of approximately S$1.8 million mainly due to decrease in accruals for project costs of S$2.2 million resulting from the release of unused accrued project costs; (ii) increase in trade and other receivables of approximately S$1.1 million mainly due to increase in trade receivables from Independent Third Parties, in line with the increase in revenue; (iii) increase in amount due from customers for contract work in progress of approximately S$1.4 million, in line with the increase in revenue; and (iv) increase in prepayments of approximately S$0.1 million, and income tax paid of S$0.7 million.

For the financial year ended 30 June 2012, our net cash generated from operating activities was approximately S$4.0 million. The net cash from operating activities was mainly attributable to our profit before taxation of approximately S$4.3 million, which was negatively adjusted primarily for (i) share of results of a jointly-controlled entity of approximately S$0.1 million; (ii) share of results of associated companies of S$27,726; (iii) gain on disposal of plant and equipment of S$25,933; and (iv) interest income of S$20,599, offset by a positive adjustment of S$47,115 from depreciation of plant and equipment. These adjustments were non-cash items, and adjusted as they did not impact the cashflow of our Group.

The difference of approximately S$0.1 million between the operating cash flows before changes in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) an decrease in trade and other payables of approximately S$5.0 million due to decrease in accruals for project costs of S$2.7 million resulting from the release of unused accrued project costs; (ii) decrease in amount due from customers for contract work in progress of approximately S$4.9 million, in line with the decrease in revenue; (iii) decrease in trade and other receivables of S$1.1 million, in line with the decrease in revenue; and (iv) income tax paid of S$1.0 million.

For the financial year ended 30 June 2011, our net cash generated from operating activities was approximately S$9.3 million. The net cash from operating activities was mainly attributable to our profit before taxation of approximately S$6.7 million, which was negatively adjusted primarily for (i) share of results of a jointly-controlled entity of approximately S$0.1 million; and (ii) interest income of S$20,344, and offset by a positive adjustment of S$45,779 from depreciation of plant and equipment. These adjustments were non-cash items, and adjusted as they did not impact the cashflow of our Group.

The difference of approximately S$2.8 million between the operating cash flows before changes in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) an increase of in trade and other payables of approximately S$6.0 million due to increase in accruals for project costs of S$4.9 million, in line with the increase in revenue; (ii) an increase of approximately S$3.1 million in amount due from customers for work in progress, in line with the increase in revenue; (iii) decrease in trade and other receivables of approximately S$0.2 million due to shorter accounts receivable turnover days of 45 days; and (iv) income tax paid of S$0.4 million.

Investing activities

We derive our cash inflow from investing activities primarily from proceeds from disposal of plant and equipment and dividend distribution from a jointly-controlled entity. Our cash outflow used in investing activities is primarily for the purchase of plant and equipment, investment in a jointly-controlled entity and associated companies.

For the financial year ended 30 June 2013, our net cash generated from investing activities was S$77,691, due to dividend distribution of S$125,000 from a jointly-controlled entity, offset by our purchase of plant and equipment of S$22,309 and investment in jointly-controlled entity of S$25,000. This investment of S$25,000 was made for YL as additional proportional capital contribution due to increase of paid-up capital of YL.

For the financial year ended 30 June 2012, our net cash used in investing activities was S$67,367, due to purchase of plant and equipment of S$55,543, investment in associated company of S$50,000, offset by proceeds received from sale of plant and equipment of S$38,176. This investment of S$50,000 was made for SRM, for additional proportional capital contribution due to increase of paid-up capital of SRM.

For the financial year ended 30 June 2011, our net cash used in investing activities was S$275,273, due to our initial capital contribution in YL of S$100,000, initial capital contributions in SRM and NEK of S$150,000 and purchase of plant and equipment of S$25,273.

Financing activities

Our cash outflow used in financing activities is principally due to the payment of dividends.

For the financial year ended 30 June 2013, our net cash used in financing activities was approximately S$8.2 million, due to the payment of dividends from Strike Singapore to Victrad.

For the financial year ended 30 June 2012, our net cash used in financing activities was approximately S$5.4 million due to the payment of dividends, as described above.

For the financial year ended 30 June 2011, our net cash used in financing activities was approximately S$2.3 million due to the payment of dividends, as described above.

INDEBTEDNESS

As at 31 October 2013, being the latest practicable date for the purpose of indebtedness statement in this prospectus, and during the Track Record Period, our Group had no outstanding indebtedness.

We did not have any finance lease nor outstanding mortgages, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or other similar indebtedness, outstanding as at 31 October 2013. Our Directors confirmed that there has not been any material change in our indebtedness since 1 November 2013 and up to the Latest Practicable Date.

Our Directors confirmed that we had not experienced difficulties in meeting obligations during the Track Record Period and there is no bank overdraft or bank loan facility, and consequently, no covenant which would adversely affect our Group's ability to undertake additional debt or equity financings.

CAPITAL EXPENDITURES

During the Track Record Period, our Group's capital expenditures have principally consisted of expenditures on computer, motor vehicles, office equipment and site equipment. We incurred capital expenditures in the amounts of S$25,273, S$55,543 and S$22,309 for the three financial years ended 30 June 2013, respectively.

CONTRACTUAL COMMITMENTS

As at 30 June 2011, 30 June 2012, 30 June 2013 and the Latest Practicable Date, our Group's obligations under operating lease commitments were repayable as follows:

		As at		
	30 June 2011	**30 June 2012**	**30 June 2013**	**Latest Practicable Date**
	S$	*S$*	*S$*	*S$*
Within a year	—	—	—	114,000
After one year but within five years	—	—	—	114,000
	—	—	—	228,000

The above operating lease commitments were in relation to our rental of premises from Victrad. The lease for our rental premise has a tenure of two years. None of the leases includes contingent rentals. As at the Latest Practicable Date, we only have the operating lease commitments for our premise.

Our Group also did not have any finance lease commitment as at 30 June 2011, 2012, 2013 and the Latest Practicable Date.

CURRENT ASSETS AND LIABILITIES

The table below sets out selected information for our current assets and current liabilities as at 30 June 2011, 30 June 2012, 30 June 2013 and 31 October 2013:

	As at			
	30 June 2011	**30 June 2012**	**30 June 2013**	**31 October 2013**
	S$	*S$*	*S$*	*S$*
	(Audited)	(Audited)	(Audited)	(Unaudited)
Current assets				
Gross amount due from customers for contract work in progress	10,357,491	5,499,240	6,855,403	7,238,992
Inventories	69,870	63,442	57,694[(1)]	61,008
Prepayments	—	23,393	131,699	934,998
Trade and other receivables	2,730,641	2,201,290	2,822,189	3,682,410
Cash and short-term deposits[(2)]	14,817,291	13,353,650	7,249,375	7,095,961
Current liabilities				
Income tax payable	(1,083,472)	(671,697)	(1,190,632)	(1,167,874)
Trade and other payables	(21,539,629)	(16,489,936)	(14,717,534)	(15,128,646)
Net current assets	5,352,192	3,979,382	1,208,194	2,716,849
Non-current assets				
Interests in a jointly-controlled entity	226,733	357,323	836,427	949,752
Interests in associated companies	150,000	227,726	423,646	528,385
Plant and equipment	152,772	148,957	130,466	116,730
Trade and other receivables	1,284,000	685,877	1,207,500	1,207,500
Non-current liabilities				
Deferred tax liabilities	—	—	(19,398)	(19,398)
Net assets	7,165,697	5,399,265	3,786,835	5,499,818

Notes:

(1) As at the Latest Practicable Date, 70.92% of the inventories as at 30 June 2013 were sold/used.

(2) As at 30 June 2011, 2012 and 2013, cash at banks and short-term deposits amounting to S$10,794,341, S$11,810,746 and S$3,735,645, respectively, were held in trust on behalf of our Group by our Executive Directors, our senior management and Victrad. This was because Strike Singapore did not have fixed deposit accounts and there were times where Strike Singapore had excess funds in its non-interest bearing current account. Hence, in the interest of time, our management transferred such excess funds to the existing fixed deposits account of (i) Victrad; (ii) a joint-account of the two Executive Directors; and (iii) a joint-account of one Executive Director and a member of our senior

management. The transfers allowed our Group to divest our risk of placing our deposits with one bank and received additional interest on the excess funds. We have discontinued such practice with effect from 23 July 2013.

We recorded net current assets of approximately S$5.4 million, S$4.0 million and S$1.2 million as at 30 June 2011, 2012 and 2013, respectively. Net current assets decreased from approximately S$5.4 million as at 30 June 2011 to approximately S$4.0 million as at 30 June 2012 and decreased to approximately S$1.2 million as at 30 June 2013. The decrease of net current assets of approximately S$1.4 million from as at 30 June 2011 to 30 June 2012 was primarily due to (i) the decrease in gross amount due from customers for contract work in progress from approximately S$10.4 million as at 30 June 2011 to approximately S$5.5 million as at 30 June 2012; (ii) decrease in trade and other receivables from approximately S$2.7 million as at 30 June 2011 to S$2.2 million as at 30 June 2012; and (iii) decrease in cash and short-term deposits from approximately S$14.8 million as at 30 June 2011 to approximately S$13.4 million as at 30 June 2012. This decrease was partly offset by decrease in trade and other payables from approximately S$21.5 million as at 30 June 2011 to approximately S$16.5 million as at 30 June 2012 and decrease in income tax payable from approximately S$1.1 million as at 30 June 2011 to approximately S$0.7 million as at 30 June 2012.

Net current assets decreased from approximately S$4.0 million as at 30 June 2012 to approximately S$1.2 million as at 30 June 2013. The decrease of net current assets of approximately S$2.8 million from as at 30 June 2012 to 30 June 2013 was primarily due to the (i) decrease in cash and short-term deposits from approximately S$13.4 million as at 30 June 2012 to approximately S$7.2 million as at 30 June 2013; and (ii) increase in income tax payable from approximately S$0.7 million as at 30 June 2012 to approximately S$1.2 million as at 30 June 2013. This decrease was partly offset by the (i) increase in gross amount due from customers for contract work in progress from approximately S$5.5 million as at 30 June 2012 to approximately S$6.9 million as at 30 June 2013; (ii) increase in trade and other receivables from approximately S$2.2 million as at 30 June 2012 to approximately S$2.8 million as at 30 June 2013; and (iii) decrease in trade and other payables from approximately S$16.5 million as at 30 June 2012 to approximately S$14.7 million as at 30 June 2013.

Net current assets increased from approximately S$1.2 million as at 30 June 2013 to approximately S$2.7 million as at 31 October 2013. The increase of net current assets of approximately S$1.5 million from as at 30 June 2013 to 31 October 2013 was primarily due to (i) an increase in trade and other receivables from approximately S$2.8 million as at 30 June 2013 to approximately S$3.7 million as at 31 October 2013; and (ii) an increase in gross amount due from customers for contract work in progress from approximately S$6.9 million as at 30 June 2013 to approximately S$7.2 million as at 31 October 2013, partially offset by increase in trade and other payables from approximately S$14.7 million as at 30 June 2013 to approximately S$15.1 million as at 31 October 2013.

CERTAIN BALANCE SHEET ITEMS

Gross amount due from customers for contract work in progress

Our revenue from projects is recognised based on the percentage of completion of the project, and this is determined after considering the relationship of value of work done to-date to total contract value. There is normally a timing difference between the completion of site works and the issuance of progress claims and invoices to our customers. Gross amount due from customers for contract work in progress represents the surplus derived when the contract costs incurred to date plus recognised profits less recognised losses exceed progress billings.

	As at		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Gross amount due from customers for contract work in progress	10,357,491	5,499,240	6,855,403

The gross amount due from customers for contract work in progress are usually affected by our revenue, the volume and value of electrical engineering works we performed close to the end of each reporting period and the timing of receiving progress payments, and thus vary from period to period.

Trade and other receivables (current assets)

Our trade and other receivables as at 30 June 2011, 30 June 2012 and 30 June 2013 were approximately S$2.7 million, S$2.2 million and S$2.8 million respectively, of which a breakdown is set out below:

		As at	
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Trade receivables			
Amount due from Independent Third Parties	1,228,068	283,712	1,172,184[(1)]
Amount due from a jointly-controlled entity	864	6,747	6,680[(1)]
Amount due from associated companies	—	11,190	6,578[(1)]
Retention sum receivables	1,286,387	1,786,376	1,605,535
Total	**2,515,319**	**2,088,025**	**2,790,977**
Other receivables			
Sundry receivables	—	7,256	—
Advances to staff	101,950	42,995	1,500
Deposits	83,960	37,500	29,700
Amount due from Victrad	29,412	25,514	12
Total	**215,322**	**113,265**	**31,212**
Total of trade and other receivables (current)	2,730,641	2,201,290	2,822,189

Note:

(1) These trade receivables were fully settled on or before 31 August 2013.

Trade receivables decreased from approximately S$2.5 million as at 30 June 2011 to approximately S$2.1 million as at 30 June 2012 and increased to approximately S$2.8 million as at 30 June 2013, which was in line with our revenue trend during the Track Record Period. Trade receivables are non-interest bearing and generally due within 30 to 90 days from the date of invoice or monthly payment claim. Amount due from a jointly-controlled entity and associated companies related sales of materials to them. Our contracts typically provide for a retention sum of 10% with each progress payment, up to a maximum of 5% of the contract value. Half of this retention sum shall be released upon practical completion, and the balance amount shall be released upon final completion. In line with the progress of our projects, the balance of our retention sum receivables increased from approximately S$1.3 million as at 30 June 2011 to approximately S$1.8 million as at 30 June

2012 and decreased to approximately S$1.6 million as at 30 June 2013. All of the trade and other receivables were not impaired as at 30 June 2011, 30 June 2012 and 30 June 2013 and expected to be recovered within one year.

The ageing analysis of trade receivables that are past due but not impaired (excluding retention sum receivables) is as follows:

		As at	
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Less than 30 days	17,027	439	15,836
30 to 60 days	1,282	2,706	—
More than 61 days	8,383	18,588	8,256
Total	26,692	21,733	24,092

As at 30 June 2011, 2012 and 2013, approximately S$0.03 million, S$0.02 million and S$0.02 million, respectively, representing approximately 1.06%, 1.04% and 0.86% of our trade receivables, respectively, were past due but not impaired. Based on our experience, our Directors are of the view that no impairment allowance is necessary in respect of these overdue balances as there has not been significant change in credit quality of our customers and the balances are considered fully recoverable.

Approximately S$1.2 million or 100% of trade receivables (excluding retention sum receivables) as at 30 June 2013 had been subsequently settled as at the Latest Practicable Date.

For the three financial years ended 30 June 2013, the average trade receivable turnover days were 45 days, 77 days and 66 days respectively. The shorter trade receivable turnover days for the financial year ended 30 June 2011 was primarily due to the prompt settlement of receivables before the year-end date of 30 June 2011.

Our other receivables decreased from approximately S$0.2 million as at 30 June 2011 to approximately S$0.1 million as at 30 June 2012 to approximately S$0.03 million as at 30 June 2013. Advances to staff mainly were performance bonuses paid earlier to certain staff. The advances to staff decreased from S$101,950 as at 30 June 2011, to S$42,995 as at 30 June 2012 and further decreased to S$1,500 as at 30 June 2013. The advances to staff decreased due to the settlement of these advances. Amounts due from Victrad as at 30 June 2011 represent advances to Victrad, which had been settled in financial year ended 30 June 2012. Amounts due from Victrad as at 30 June 2012 represented amount owing for the sale of vehicle to Victrad. The deposits relate to deposits placed for our workers' dormitory and decreased during the Track Record Period due to lower number of foreign workers, as our foreign workers joined YL, NEK and SRM in connection with their setting up.

Out of our other receivables which amounted to approximately S$0.03 million as at 30 June 2013, approximately S$1,512 had been subsequently settled as at the Latest Practicable Date.

Based on the progress of the projects, our Company estimated the retention sum receivables (including both the current and non-current portion) to be recovered as follows:

	As at		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Recoverable within 1 year	1,286,387	1,786,376	1,605,535
Recoverable in 1 to 2 years	715,000	531,100	717,500
Recoverable in 2 to 3 years	569,000	59,777	490,000
Recoverable after 3 years	—	95,000	—
	2,570,387	2,472,253	2,813,035

None of our Group's customers has defaulted in their payment obligations during the Track Record Period and up to the Latest Practicable Date and the retention sum receivables were settled in accordance with the terms of respective contracts.

Prepayments

Prepayments relate to our insurance, workers' dormitory and listing expenses. Our prepayment increased from nil as at 30 June 2011 to S$23,393 as at 30 June 2012 and to S$131,699 as at 30 June 2013, which was mainly due to insurance prepayments and listing expenses.

Trade and other payables

Trade payables and accruals for project costs as at 30 June 2011, 30 June 2012 and 30 June 2013 were approximately S$21.1 million, S$16.3 million and S$14.4 million respectively, of which a breakdown is set out below:

	As at		
	30 June 2011	**30 June 2012**	**30 June 2013**
	S$	*S$*	*S$*
Amount due to Independent Third Parties	1,711,289	204,732	574,897
Amount due to Victrad	673,153	49,258	26,590
Amount due to a jointly-controlled entity	6,420	19,504	—
Amount due to associated companies	—	17,329	7,152
	2,390,862	290,823	608,639[(1)]
Accruals for project costs	18,703,697	15,967,228	13,794,399
Total	21,094,559	16,258,051	14,403,038

Note:

(1) We have fully settled these trade payables on or before 31 August 2013.

Trade payables and accruals for project costs decreased from approximately S$21.1 million as at 30 June 2011 to approximately S$16.3 million as at 30 June 2012 and further decreased to approximately S$14.4 million as at 30 June 2013, which was due mainly to the downward revision of project costs resulting in a decrease in our accruals for project costs. Our amount due to Independent Third Parties comprised primarily amounts payable to our subcontractors and suppliers. The credit period granted by our subcontractors is normally 30 days upon receipt of their monthly progress claim and for suppliers, it is normally 30 to 90 days after issuance of their invoice. Our amount due to Independent Third Parties decreased from S$1.7 million as at 30 June 2011 to S$0.2 million as at 30 June 2012, and increased to S$0.6 million as at 30 June 2013, in line with our revenue. The amount due to Victrad related to management fees payable to them. The amount due to Victrad decreased from S$673,153 as at 30 June 2011 to S$49,258 as at 30 June 2012 and further decreased to S$26,590 as at 30 June 2013 due mainly to our restructuring as increased number of staff were employed under Strike Singapore. The amounts due to the jointly-controlled entity and associated companies relate to subcontracting fees payable.

For the three financial years ended 30 June 2013, the average trade payable turnover days were 81 days, 99 days and 101 days respectively. The longer trade payable turnover days of 99 days and 101 days for the two financial years ended 30 June 2013 than the credit term were mainly due to increase in purchase of materials during the period close to the year-end date and certain credit notes from suppliers not issued promptly to us. The delay in the issue of credit notes to us resulted in a longer time to make payments to these suppliers as we only make payment when the corresponding credit note is received. We normally settle the trade creditors after receipt of settlements from the trade debtors.

The following table sets out the details of our accruals and other payables as at the end of each financial year during the Track Record Period:

	As at		
	30 June 2011	30 June 2012	30 June 2013
	S$	*S$*	*S$*
Other payables			
Sundry payables	66,642	44,585	4,233
Accrued liabilities	84,422	110,849	239,970
Goods and services tax (GST) payables	294,006	76,451	70,293
Total	445,070	231,885	314,496

Sundry payables primarily consist of mainly monies withheld in connection our foreign workers' tax clearance and accrued liabilities are primarily accruals of CPF contribution, professional fees and provision for unutilised leave. Other payables decreased by approximately S$0.2 million, from approximately S$0.4 million as at 30 June 2011 to approximately S$0.2 million as at 30 June 2012, primarily due to decrease in GST payables which was in line with the decrease in revenue. Other payables increased by approximately S$0.1 million, from approximately S$0.2 million as at 30 June 2012 to approximately S$0.3 million as at 30 June 2013, which was mainly due to increase in accrued liabilities, relating to provision of professional fees.

Trade and other receivables (non-current assets)

Our trade and other receivables (non-current assets) as at 30 June 2011, 30 June 2012 and 30 June 2013 were approximately S$1.3 million, S$0.7 million and S$1.2 million respectively, of which comprised of retention sum receivables. Our contracts typically provide for a retention sum of 10% with each progress payment, up to a maximum of 5% of the contract value. Half of this retention sum shall be released upon practical completion, and the balance amount shall be released upon final completion. In line with the progress of our projects, the balance of our retention sum receivables decreased from approximately S$1.3 million as at 30 June 2011 to approximately S$0.7 million as at 30 June 2012 and increased to approximately S$1.2 million as at 30 June 2013.

Contingent liabilities

As at 31 October 2013, being the latest practicable date for the preparation of the indebtedness statement in this prospectus, we had the following contingent liabilities:

Guarantee issued

	S$
Security bonds to MOM in relation to our foreign workers	485,000
Joint guarantees with SRM given to our client in respect of foreign workers employed by SRM for a project	16,000
	501,000

Our Directors confirm that, taking into consideration our internal resources available to us as at the Latest Practicable Date, we have sufficient working capital for our requirements as at the Latest Practicable Date, including funds necessary to meet our contractual obligations, maintain our operations and complete our existing projects that were under progress as at the Latest Practicable Date. Our Directors are not aware of any other factors that would have a material impact on our Group's liquidity as at the Latest Practicable Date, including those that may materially and adversely affect our future cash requirements associated with trends known to our Group. As at the Latest Practicable Date, our Directors are not aware of any change in the applicable legal and regulatory requirements that would have a material adverse impact on our Group's liquidity.

Save as disclosed above, our Group had no material contingent liabilities and was not involved in any material legal proceedings. Our Directors are not aware of any pending or potential material legal proceedings involving our Group. If our Group is involved in such material legal proceedings, our Group will record contingency loss when, based on information then available, it is likely that a loss will incur and the amount of loss can be reasonable estimated.

KEY FINANCIAL RATIOS

		As at	
	30 June 2011	**30 June 2012**	**30 June 2013**
	times	*times*	*times*
Current ratio(1)	1.2	1.2	1.1
Gearing ratio(2)	—	—	—

	For the financial year ended		
	30 June 2011	30 June 2012	30 June 2013
	%	%	%
Gross profit margin(3)	22.9	32.4	44.4
Profit before tax margin(4)	20.5	27.4	41.5
Net profit margin(5)	17.2	23.5	35.1
Return on total assets(6)	18.8	16.3	33.2
Return on equity(7)	78.0	68.0	172.7

	For the financial year ended		
	30 June 2011	30 June 2012	30 June 2013
	Days	*Days*	*Days*
Average trade receivable turnover(8)	45	77	66
Average trade payable turnover(9)	81	99	101

Analysis regarding our average trade receivable turnover and average trade payable turnover can be found in the section headed "Financial information — Certain balance sheet items" in this prospectus.

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities as at the respective financial year end.

(2) Gearing ratio is calculated by dividing total borrowings by total equity as at the respective financial year end. Our Group does not have any borrowings during the Track Record Period and as at the Latest Practicable Date.

(3) Gross profit margin is calculated by dividing gross profit by the revenue for the financial year.

(4) Profit before tax margin is calculated by dividing profit before tax by the revenue for the financial year.

(5) Net profit margin is calculated by dividing profit for the year and total comprehensive income for the year by the revenue for the financial year.

(6) Return on total assets is calculated by dividing profit for the year and total comprehensive income for the year by the total assets as at the respective financial year end.

(7) Return on equity is calculated by dividing profit for the year by the total equity as at the respective financial year end.

(8) Average trade receivable turnover is calculated by dividing the average trade receivable (average of its opening and closing balances) by the revenue for the financial year and multiply by 365 days.

(9) Average trade payable turnover is calculated by dividing the average trade payable, less accruals for project costs (average of its opening and closing balances) by the total purchases for the financial year and multiply by 365 days.

Current ratio

Our Group's current ratio remained largely consistent at 1.1 to 1.2 times during the Track Record Period.

Gearing ratio

There was no gearing ratio recorded during the Track Record Period as there was no bank borrowing.

Gross profit margin and net profit margin

Please refer to the section headed "Financial information — Period to period comparison of results of operations" for analysis of profitability margins.

Return on total assets

Our return on total assets decreased from approximately 18.8% for the financial year ended 30 June 2011 to approximately 16.3% for the financial year ended 30 June 2012, which was mainly due to the decrease of our total assets by approximately 24.3% from approximately S$29.8 million as at 30 June 2011 to approximately S$22.6 million as at 30 June 2012 mainly due to decrease in gross amount due from customers as a result of less revenue recognised for the year while our profit for the year and total comprehensive income for the year decreased by a more-than-proportionate percentage of approximately 34.3% from approximately S$5.6 million for the financial year ended 30 June 2011 to approximately S$3.7 million for the financial year ended 30 June 2012. That was mainly because of the significant decrease in revenue from approximately S$32.5 million in financial year ended 30 June 2011 to approximately S$15.6 million in financial year ended 30 June 2012, representing a decrease of 52.0%.

Our return on total assets increased from approximately 16.3% for the financial year ended 30 June 2012 to approximately 33.2% for the financial year ended 30 June 2013, which was mainly due to the increase in our profit for the year and total comprehensive income for the year of approximately 78.3% from approximately S$3.7 million for the financial year ended 30 June 2012 to approximately S$6.5 million for the financial year ended 30 June 2013, while total assets decreased by approximately 12.6% from approximately S$22.6 million in the financial year ended 30 June 2012 to approximately S$19.7 million in the financial year ended 30 June 2013. This was mainly because of the significant increase in revenue of approximately 19.5%, or S$3.1 million, increase in share of results from associated companies and a jointly-controlled entity of approximately 389.5% or S$0.6 million and payment of dividends of S$8.2 million in the financial year ended 30 June 2013 which had lowered our total assets.

Return on equity

Return on equity decreased from approximately 78.0% for the financial year ended 30 June 2011 to approximately 68.0% for the financial year ended 30 June 2012, which was mainly due to the decrease of our total equity by approximately 24.7% from approximately S$7.2 million as at 30 June 2011 to approximately S$5.4 million as at 30 June 2012 while our profit for the year and total comprehensive income for the year decreased by a more-than-proportionate percentage of approximately 34.3% from approximately S$5.6 million for the financial year ended 30 June 2011 to approximately S$3.7 million for the financial year ended 30 June 2012. That was mainly due to same reason mentioned above that there was a significant decrease in revenue from approximately S$32.5 million in financial year ended 30 June 2011 to approximately S$15.6 million in financial year ended 30 June 2012, representing a decrease of 52.0%.

Return on equity increased from approximately 68.0% for the financial year ended 30 June 2012 to approximately 172.7% for the financial year ended 30 June 2013, which was mainly due to the decrease of our total equity by approximately 29.9% from approximately S$5.4 million as at 30 June 2012 to approximately S$3.8 million as at 30 June 2013 while our profit for the year and total comprehensive income for the year increased by approximately 78.3% from approximately S$3.7 million for the financial year ended 30 June 2012 to approximately S$6.5 million for the financial year ended 30 June 2013. This was mainly because of the significant increase in revenue of approximately 19.5%, or S$3.1 million, increase in share of results from associated companies and a jointly-controlled entity of approximately 389.5% or S$0.6 million and payment of dividends of S$8.2 million in the financial year ended 30 June 2013 which had lowered our total assets.

Average trade receivable turnover

For the three financial years ended 30 June 2013, the average trade receivable turnover days were 45 days, 77 days and 66 days respectively. The shorter trade receivable turnover days for the financial year ended 30 June 2011 was primarily due to the prompt settlement of receivables before the year-end date of 30 June 2011.

Average trade payable turnover

For the three financial years ended 30 June 2013, the average trade payable turnover days were 81 days, 99 days and 101 days respectively. The longer trade payable turnover days of 99 days and 101 days for the two financial years ended 30 June 2013 than the credit term were mainly due to increase in purchase of materials during the period close to the year-end date and certain credit notes from suppliers not issued promptly to us. The delay in the issue of credit notes to us resulted in a longer time to make payments to these suppliers as we only make payment when the corresponding credit note is received.

WORKING CAPITAL

Our Directors are of the opinion that, taking into consideration the internal resources presently available to our Group, and the estimated net proceeds of the Share Offer, our Group has sufficient working capital for our present requirements, that is, for at least the next 12 months commencing from the date of this prospectus.

GUARANTEE PROVIDED TO OUR GROUP BY CONTROLLING SHAREHOLDERS

Banking facilities

During the Track Record Period and as at the Latest Practicable Date, our Group did not have any banking facility.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions set forth in Note 25 of the Accountants' Report in Appendix I to this prospectus, our Directors confirm that the related party transactions were arrived at after arm's length negotiation and that the terms of the arrangement were fair and reasonable and in the interest of our Company and our Shareholders as a whole.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Share Offer on the consolidated net tangible assets of our Group attributable to the equity holders of our Company as of 30 June 2013 as if the Share Offer had been completed on 30 June 2013.

This unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group as at 30 June 2013 or at any future dates following the Share Offer. It is prepared based on the consolidated net assets of our Group as at 30 June 2013 as derived from our consolidated financial information set forth in the Accountants' Report of our Group, the text of which is set out in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted net tangible assets does not form part of the Accountants' Report.

	Consolidated net tangible assets as at 30 June 2013	**Estimated net proceeds from the Share Offer**	**Unaudited pro forma adjusted net tangible assets**	**Unaudited pro forma adjusted net tangible assets per Share**
	S$	*S$*	*S$*	*S$*
Based on an Offer Price of HK$0.50 per Share	3,786,835	7,891,598	11,678,433	0.02 (equivalent to HK$0.11)

Notes:

(1) The consolidated net tangible assets as at 30 June 2013 is derived from the consolidated financial information set forth in the Accountants' Report set out in Appendix I to this prospectus, which is based on the consolidated net assets of our Group of S$3,786,835.

(2) The estimated net proceeds from the Share Offer are based on the indicative Offer Price of HK$0.50 per Share after deduction of the underwriting fees and other related expenses payable by our Company. The estimated net proceeds are converted into S$ at the rate of S$1 = HK$6.10.

(3) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to 30 June 2013.

(4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 640,000,000 Shares were in issue immediately following the completion of the Share Offer.

DISTRIBUTABLE RESERVES

The aggregate amount of the distributable reserves as at 30 June 2011, 30 June 2012 and 30 June 2013 of our Group were approximately S$5.7 million, S$3.9 million and S$2.3 million respectively.

DIVIDEND POLICY

For each of the three financial years ended 30 June 2013, Strike Singapore declared dividends of approximately S$7.7 million, nil and S$8.2 million, respectively, out of the distributable profit and all these dividends had been paid as at the Latest Practicable Date. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following Listing.

After completion of the Share Offer, our Shareholders will be entitled to receive dividends only when declared by our Board. The payment and the amount of any dividends will be at the discretion of our Directors and will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions (if any) and other factors which our Directors deem relevant. Our Group does not have a dividend policy.

Cash dividends on our shares, if any, will be paid in Hong Kong dollars. Other distributions, if any, will be paid to our shareholders by any means which our Directors deem legal, fair and practicable. Investors should note that historical dividend distributions are not indicative of our future dividend distribution policy.

FINANCIAL RISK MANAGEMENT AND FAIR VALUE

Credit risk management

Our Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at 30 June 2011, 30 June 2012 and 30 June 2013 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position. Our Group's exposure to credit risk is primarily attributable to our trade and other receivables and cash and short-term deposits. In order to minimise the credit risk, our Group have established policies and systems for the monitoring and control of credit risk. Please refer to Note 28 of the Accountants' Report in Appendix I to this prospectus for further details.

Liquidity risk management

Our Group's exposure to liquidity risk arises in the general funding of our Group's operating activities. Our Group's cash and short-term deposits and operating cash flows are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there are no circumstances which, would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

OUR LATEST DEVELOPMENT SUBSEQUENT TO THE TRACK RECORD PERIOD AND NO MATERIAL ADVERSE CHANGE

Our business remained stable after the Track Record Period. Our Group did not experience any significant drop in revenue or a sharp increase in cost of sales and other costs subsequent to the Track Record Period as there were no changes to the general business model of our Group. Based on our unaudited management accounts, our unaudited revenue for the four months ended 31 October 2013 was approximately S$9.3 million which mainly attributable to revenue generated from projects engaged by Strike Singapore and revenue generated from project subcontracted to jointly-controlled entity and associated companies, which accounted for approximately 46% and 54% of our contract revenue respectively. Comparatively, our Group recorded an unaudited revenue of approximately S$4.8 million for the four months ended 31 October 2012 which was mainly attributable to revenue generated from projects engaged by Strike Singapore and revenue generated from project subcontracted to jointly-controlled entity and associated companies, which accounted for approximately 75% and 25% of our contract revenue respectively. The comparative advancement of our Group's revenue derived from our business for four months ended 31 October 2013 was primarily due to higher percentage of works done for the projects and accompanied by the increase in number of projects engaged with the jointly-controlled entity and associated companies. With the increase in revenue for the four months ended 31 October 2013, our gross profit increased to approximately S$2.1 million as compared with that for the four months ended 31 October 2012, which was approximately

S$1.8 million. However our gross profit margin was affected as a result of increase in proportion of revenue generated from the jointly-controlled entity and associated companies, which had a lower gross profit margin. Our gross profit margin decreased from approximately 36.4% for the four months ended 31 October 2012 to approximately 22.7% for the four months ended 31 October 2013. Our decrease in gross profit margin was mainly due to a (i) downward revision of project costs for some of the projects completed during the four months ended 31 October 2012; and (ii) the projects which we have subcontracted to our jointly-controlled entity and two associated companies with lower gross profit margin have recognised more revenue for the four months ended 31 October 2013. Since 1 July 2013 and up to the Latest Practicable Date, we were awarded 1 project with a contract value of approximately S$9.4 million which are expected to be completed in the financial year ending 30 June 2018. We also completed 1 project from 1 July 2013 up to the Latest Practicable Date.

The Directors confirm that we did not have any material non-recurring income or expenses for the four months ended 31 October 2013 save for certain expenses incurred in relation to the Listing.

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 1 July 2013 and there is no event since 1 July 2013 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus, in each case except as otherwise disclosed herein.